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FIRST COUNTRY COOPERATION FRAMEWORK FOR SURINAME (1999-2001)

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INTRODUCTION

1. The first country cooperation framework (CCF) for Suriname (1999-2001), outlines the agreed strategy and thematic areas for UNDP cooperation in the country, according to national priorities and plans, consultations with the larger donor community and informed proposals presented to the Government in the UNDP advisory note.

I. DEVELOPMENT SITUATION FROM A SUSTAINABLE DEVELOPMENT PERSPECTIVE

2. Suriname, situated on the north-east coast of South America, occupies 163,265 square kilometres almost 90 per cent of which is rain forest. Its multi-ethnic population of about 420,000 lives largely in the coastal area, but a sizeable per cent of Amerindian and Maroon people live in the interior of the country. Since 1975, Suriname has experienced periods of political unrest and an internal war. Recent successive Governments, based on fragile coalitions, have made consensus-building and policy-making a complex undertaking. The net effect of political instability has been limited engagements in global and regional affairs, severe economic decline, and an exodus of people, primarily to the Netherlands, resulting in a drain on skills and a disproportionate diminution in productive capabilities. As a result, the pace of human development has slowed and the State's ability to implement its development programmes fully has been weakened. The Government is, however, putting in place policies to address these concerns.

3. Suriname depends heavily on its natural resources for economic growth. Bauxite mining, the dominant sector, accounts for 15 per cent of gross domestic product (GDP) but contributes an estimated 80 per cent of total export earnings. Since 1994, there have been substantial increases in foreign private investment in the production and sale of alumina and timber but with some negative environmental effects. Environmental degradation caused by the uncontrolled use of mercury in small-scale informal gold-mining activities, and deforestation caused by logging practices are evident. To manage the environment effectively, the National Environmental Council and its technical arm, the Environmental Institute (NIMOS), have been established. The Central Suriname Nature Reserve, which comprises more than 1.6 million hectares of virgin tropical forest in the Upper Coppename River Watershed of west-central Suriname, was recently established with non-governmental organization (NGO) support. This conservation corridor will link three existing protected areas, covering approximately 12 per cent of the country.

4. The last 20 years in Suriname have been a period of economic fluctuation. In the first half of the decade, public welfare was seriously affected by the economic downturn and the suspension of Treaty Funds from the Netherlands. With the introduction of a self-imposed Structural Adjustment Programme, the rate of inflation declined dramatically from 368 per cent in 1994 to 18 per cent in 1997. Real GDP increased from minus 7 per cent in 1994 to an estimated 5 per cent in 1997. Since 1994, the increased international prices of bauxite, the resumption of significant grant assistance from the Netherlands, and the

impact of the Structural Adjustment Programme have contributed to economic improvement. Notwithstanding these remarkable but still fragile economic achievements, the Government realizes that the national reconstruction programme must go forward but that it should also focus on the long-term impact of macroeconomic policy on social development. The estimated 11 per cent unemployment rate is believed to be much higher among women and youth, with estimates ranging from 27 per cent to 37 per cent. Job openings exist mostly for technical professions in urban areas and in the public sector. However, within the public sector, there is a need for strengthening managerial capacities, programme formulation and implementation capabilities, and accountability. In the private sector, employment increased slightly because of limited growth and capital-intensive investments in export activities. Creating employment opportunities outside of the public sector presents a challenge. Thus, the Government is promoting small- and medium-sized enterprise development but support structures and access to credit remain weak. Social safety nets, introduced or expanded after 1993, depend heavily on external assistance from the Netherlands. Many of these assistance programmes are being phased out but the Government intends to create greater employment opportunities by expanding small- and medium-scale enterprise development.

5. The Government is emphasizing the importance of gender equity and focusing on improving the situation of women. On average, women attain lower education levels than men and are under-represented in planning and decision-making. Suriname will undertake a situation analysis of women with the support of the United Nations Development Fund for Women (UNIFEM). This should provide a solid basis for the formulation of appropriate policies to bring women's issues into central policy-making.

6. While Suriname has no national definitions for overall and extreme poverty, broad estimates from the Ministry of Social Affairs and Housing suggest that 48 per cent of the population receives some form of social assistance and about 20 per cent is considered to be extremely poor. This requires a more in-depth study. The decrease in the purchasing power of pensioners on fixed incomes has increased the number of aged poor and the Government has identified this group for special consideration. In the interior of the country, the rates of illiteracy, malnutrition, and disease remain high, and it is believed that high levels of poverty could be masked by the traditional community lifestyles, thereby cushioning the effect on families. The Government is anxious to remedy the situation through gender-sensitive poverty assessments and appropriate macroeconomic policies. UNDP will be requested to assist in these assessments and the formulation of national or regional poverty eradication plans.

7. According to the Human Development Report 1998, Suriname achieved a rank of 65 out of 174 countries in terms of its 1998 human development index value, i.e., it had achieved a medium level of human development. According to the 1995 Development Cooperation Report for Suriname, life expectancy stands at 67 years for males and 72.8 years for females. However, the infant mortality rate stands at 27 per 1,000 live births. Adult literacy is estimated at 89.9 per cent for females and 95 per cent for males. Suriname inherited a strong education system and has maintained a fairly high level of education. But for many social and economic reasons, enrolment and attendance rates are down, particularly among girls in the interior of the country. There is also a

growing drug problem in the country. The Government has recently established the Monitoring Commission on Drug Law Enforcement and the National Anti-Drugs Council and has approved a Drugs Master Plan. However, drug demand reduction activities are at a preliminary stage and the Government welcomes assistance for the programme as it lacks finance and national expertise. In summary, the Government recognizes that it is imperative to design and implement more self-reliant development strategies to achieve even higher levels of human development. The greatest challenge remains the long-term durability of economic growth and the translation of gains into concrete benefits for the poor, the vulnerable and the indigenous population within a stable political environment.

8. Development policy and strategy. The people-centred Multi-Annual Plan 1999-2003 aims at the following: natural resources management and environmental protection; increased investment and activity in the traditional productive sectors; the promotion of private sector development in non-traditional areas; the creation of skills-training and employment opportunities throughout the country through small- and medium-scale enterprise development; and continuing public sector reform. Suriname joined the Caribbean Community (CARICOM) in July 1995 and modified its trade regime. UNDP supported this development through advisory services and the review of legislation. CARICOM membership will have significant implications for Suriname's public bodies and corporate entities, which must be equipped with institutional systems and information that truly operationalize Suriname's participation in CARICOM and enable the country to take advantage of the regional integration process. UNDP will continue its assistance in this area.

II. RESULTS AND LESSONS OF PAST COOPERATION

9. The Netherlands remains the single largest source of external assistance to Suriname although the European Union and the Inter-American Development Bank (IDB) have large multilateral programmes covering a wide range of projects. For its poverty eradication initiative, the Government and IDB will be implementing a community development fund that will provide resources at the local level for social infrastructure and development projects. The Governments of Belgium and Japan are the major bilateral donors supporting the health services, fisheries, and debt reduction programmes. In 1996, UNIFEM, the United Nations Population Fund and the United Nations Children's Fund signed cost-sharing agreements with Suriname, totalling an estimated $1.8 million. The Government welcomes higher levels of coordination among United Nations agencies and between the United Nations system and Suriname's other development partners to promote complementarity and joint programmes.

10. The third country programme for Suriname, which covered the period 1987-1992, was approved by the UNDP Governing Council in 1986. Subsequently, the Executive Board approved an indicative planning figure of $1,158,000 for the period 1992-1996. The Government of Suriname requested UNDP to implement a bridging programme covering the themes sound governance and environmental and natural resources sustainability. Government cost-sharing coupled with 13 per cent of programmable core resources were used for strengthening the technical capabilities of the Central Bureau of Statistics, the National

Planning Office, and Suriname's Postal Services; reviewing legislation for CARICOM membership and advisory services in public sector reform; macroeconomic planning; and privatization. Approximately 6 per cent or $91,000 of programmable resources and $300,000 secured from the Global Environmental Facility (GEF) provided for training in forestry management and the conservation of biological resources. In effect, the UNDP programme of cooperation has been largely successful in terms of institution-building. The programme comprised a mix of small projects, some of which proved difficult to manage because of insufficient training and familiarity with the national execution modality in Suriname. During the period of the CCF, UNDP will provide support to the Government for full implementation of the national execution modality and monitoring and evaluating programme content and impact.

III. PROPOSED STRATEGY AND THEMATIC AREAS

11. The CCF will focus on creating a sustainable basis for long-term development within the context and constraints of political and economic reforms. Building capacity for sound governance and establishing systems for promoting effective and accountable structures for the management of the development process will be its central objective. Sound governance emerges as one of the essential elements for the success of the medium-term economic reform process and for creating the enabling environment for sustained development. UNDP will thus provide strategic assistance in areas of national priorities that are compatible with the UNDP sustainable human development mandate. The technical cooperation among developing countries (TCDC) modality will be expanded under the CCF, with a view to providing additional opportunities for Suriname's enhanced participation in wider regional trade relations generally and in CARICOM in particular. Through the resident coordinator system, Suriname will also be exposed to global best practices and information networking. Where considerable resources have already been invested by the Government (with the assistance of multilateral and bilateral donors) in areas that promote sustainable human development, UNDP will provide the necessary technical expertise and development support services. Where appropriate, Suriname will participate in UNDP regional programme activities for Latin America and the Caribbean. Activities under the first CCF will focus on three thematic areas: (a) creating an enabling environment for sound governance; (b) strengthening capacity for promoting opportunities for sustainable livelihoods; and (c) strengthening capacity for environmental management and sustainable development.

A. Creating an enabling environment for sound governance

12. This thematic area reflects the Government's commitment to the economic reform process by enhancing trade and international cooperation, building consensus around critical development issues, managing external resources, and addressing other public sector management issues. The focus of UNDP cooperation will be on strengthening capacities within key institutions to formulate and guide public sector responses to changing economic and social challenges, both financially, and in terms of human resource capacities.

13. Strengthening the public sector reform process. UNDP will support Suriname's efforts to manage investment resources for the implementation of the priorities of the Multi-Annual Plan. Capacities will be strengthened in the Programme Implementation Unit of the Ministry of Planning and Development Cooperation to enable the Unit to coordinate and manage external aid effectively, build capacity in resources management, re-evaluate aid policies, and build reliable information systems for effective aid management and accountability. In the short term, to fill the most pressing technical gaps in the public sector, the United Nations Volunteers programme will provide external expertise in education, health and public sector management. Working with the Ministry of Home Affairs, a human resources policy framework for the public sector will be developed to create the capacity to formulate and monitor the implementation of gender-sensitive human resources development strategies. With technical support from the Caribbean Centre for Development Administration, UNDP will support the development of a public service efficiency programme designed to enhance managerial capability, public sector management information systems, performance management, and policy and operational guidelines. Female professionals will be targeted in this programme.

14. Formulation of public policies through a consultative process. With UNDP support, the Ministry of Planning and Development Cooperation will benefit from regional and international expertise in the formulation of critical macroeconomic and sectoral policies in fine-tuning the Multi-Annual Plan. In this regard, a review of social policies will be critical, and UNDP will provide advisory services to the Ministry of Social Affairs and Housing concerning cost-effectiveness and the measurement of the impact of policies and the development of subsequent social programmes. The Central Statistical Office and the National Planning Office of the Ministry of Planning and Development Cooperation will receive assistance in strengthening capacities for survey design, data collection and analysis. The collection of reliable data, particularly for vulnerable groups, will enable the preparation of a national poverty eradication programme. In this regard, the preparation of annual national human development reports coordinated by the Ministry of Planning and Development Cooperation will also assist in data collection and analysis. Moreover, they will provide a structured forum for the Government and civil society to engage in national dialogue and consensus-building around critical sustainable human development concerns. Support will aim at developing a framework by which to anticipate, formulate, and measure the impact of policies on the poor and particularly vulnerable population groups and determine effective economic strategies for further integration into regional and international markets. Based on reliable data and analysis, the Multi-Annual Plan will be updated on a regular basis to respond effectively to the poorest sectors of society.

15. Expanding regional links. Building on past UNDP support, Suriname wishes to deepen its regional ties. Diversification of external relations, particularly increased participation in CARICOM, will require adjustments to institutional and legislative mechanisms and enhanced negotiation capabilities within the private and public sectors. Support from UNDP will help to strengthen negotiation skills and techniques to address specific trade and investment issues. Making extensive use of the TCDC modality, UNDP will support the efforts of the Ministries of Trade and Industry and Foreign Affairs to build partnerships within the wider Caribbean region. Attention will be given to

formulating appropriate legislation and making institutional adjustments to enable Suriname to fully benefit from the CARICOM Protocols. In terms of results, the following outcomes are expected: (a) strengthened capacities for aid coordination and management and the implementation of a well-designed public service efficiency programme; (b) the development and review of social policy and poverty strategies; (c) a strengthened relationship between Government and civil society; and (d) strengthened capacities for negotiation in trade, investment, and expanded regional relations.

B. Strengthening capacity for promoting opportunities for sustainable livelihoods

16. Investment in human capital will be the cornerstone for continued economic growth and social prosperity. Given Suriname's clear commitment to fiscal prudence, the more comprehensive reform process, and also to issues of equity, the Government is concerned that the social agenda does not suffer setbacks. UNDP will focus on strengthening the capacity of national institutions to formulate policies and design, implement and manage programmes that respond effectively to critical needs of vulnerable groups and the poor.

17. Suriname will embark on a comprehensive community development programme. Initially, the programme will focus on the interior of the country, including the districts of Marowijne, Sipaliwini and Brokopondo and South Para. The target groups are the Maroons and other indigenous people, many of whom are women and the youth. UNDP will assist the Ministry of Regional Development to strengthen its management capabilities to effectively implement this programme. Within the context of wider community development efforts, and with the assistance of such United Nations specialized agencies as the International Trade Centre, the United Nations Conference on Trade and Development, the United Nations Industrial Development Organization and the International Labour Organization, UNDP will support entrepreneurial development programmes and community-based productive initiatives in identified sectors or product groups for the targeted poor communities. If successful, this approach will be replicated in the wider Surinamese society, complemented by activities under the IDB financed Community Development Fund. The ongoing work of UNDP with communities and NGOs through the GEF Small Grants Programme will be expanded and will facilitate community consultations and consensus-building on development issues and give support to income-generating projects and other sustainable livelihood activities for men and women.

18. The results expected in this area of concentration are: (a) viable and targeted social programmes that create opportunities for sustainable livelihoods and institutionalized systems to effectively manage these programmes; (b) small- and medium-scale enterprise development, particularly in rural areas; (c) a skills training programme for unskilled youth between 19 and 25 years of age, mostly from female-headed households and members of Maroon and other indigenous households in the interior of the country; and (d) expansion of the GEF Small Grants Programme.

C. Strengthening capacity for environmental management and sustainable development

19. Environmental management is critical to Suriname, given its reliance on natural resources for development. A National Environmental Council has been established under the Office of the President with the Environmental Institute (NIMOS) as its working arm. UNDP will assist in strengthening the management systems and technical functions of NIMOS and help to draft regulatory environmental legislation, using the TCDC modality. The ongoing work of UNDP with the GEF will also facilitate NIMOS' preparation of a national action plan for environmental management. Working with NIMOS and NGOs, UNDP will assist in the formulation and implementation of a management structure and comprehensive management plan for the Central Suriname Nature Reserve, including appropriate plans for resource management and protection, human use, scientific research and monitoring and administration. UNDP will also assist in the design of programmes that promote economic alternatives to destructive forest practices in the Central Suriname Nature Reserve. The successful implementation of this programme will provide lessons for the management of additional nature reserves in Suriname. The expected outcomes include: (a) capacity-building to mainstream environmental management within the wider development process; and (b) efficient management systems for the appropriate use and conservation of the Central Suriname Nature Reserve.

IV. MANAGEMENT ARRANGEMENTS

20. Execution and implementation arrangements. A capacity assessment will be undertaken and the national execution modality will be employed in the execution and implementation of the programme. United Nations agency implementation will be utilized as appropriate. To facilitate effective national execution and to strengthen national capabilities to manage programmes and projects in general, UNDP will provide the appropriate training opportunities and support to national project managers and counterparts. The Ministry of Planning and Development Cooperation will be the coordinating authority for recipient ministries who will implement respective subprogrammes. NGOs and community-based organizations will be encouraged to participate in the formulation and implementation of the programme.

21. Programme monitoring and review. The Ministry of Planning and Development Cooperation will be responsible for monitoring and review. UNDP will meet with the Ministry quarterly to assess ongoing activities and to recommend adjustments to maintain programme relevance. There will be a comprehensive review of the programme, which will include representatives from NGOs, United Nations agencies, and donor agencies to ensure greater participation of all stakeholders in the review process. An important element of the CCF will be the establishment of clearly articulated benchmarks, implementation arrangements, and success indicators to facilitate monitoring and evaluating impact, with particular attention to gender and environmental impact analysis.

22. Resource mobilization. The UNDP resources available for the period of the CCF will be insufficient to finance the entire programme envisaged; active collaboration to mobilize resources will therefore continue. The Government

will contribute to identified programme activities through cost-sharing arrangements and mobilize additional resources through third-party cost-sharing possibilities with bilateral and multilateral sources such as IDB, the European Union, the Caribbean Development Bank, and the Netherlands. In addition, concerted efforts will be made to foster strategic alliances with national and international NGOs, such as Conservation International in the area of environmental management, and the private sector, in terms of their participation in the formulation of public policy and small- and medium-scale enterprise development. UNDP will continue to mobilize United Nations system resources, such as the United Nations International Drug Control Programme for drug demand control and other resources, particularly through GEF, Capacity 21 and Montreal Protocol. In the elaboration of a resource mobilization strategy for the period of the CCF, cost-sharing agreements signed with the Government or secured by the other United Nations system agencies will also be taken into account where programmes are complementary to those of UNDP. The resource mobilization target table shown in the annex reflects the core and non-core resources that are expected to be available to the programme over the period of the CCF.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR SURINAME (1999-2001)

(In thousands of United States dollars)

Source	Amount	Comments
UNDP CORE FUNDS		
Estimated carry-over	672	
TRAC 1.1.1	228	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
SPPD/STS	48	
Subtotal	948 a/	
NON-CORE FUNDS		
Government cost-sharing	3 530	
Sustainable development funds	1 292	
	of which:	
GEF - biodiversity	1 192	
GEF - Small Grants Programme	100	
Third-party cost-sharing	500	
Funds, trust funds and other	-	
Subtotal	5 322	
GRAND TOTAL	6 270 a/	

a/ Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; SPPD = support for policy and programme development; STS = support for technical services; and TRAC = target for resource assignment from the core.